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The Executive

21 November, 1949

Personnel Director

Hazardous Pay

A review of current policies in this field has been made, and discussions have been held with other government agencies, as well as interested officials within CIA.

The following factors are in process of study, review, and discussion with the Support Staff Chiefs and their respective Personnel people.

Compensation differentials for hazardous positions in CIA should be differentiated from the post-accident form of compensation administered by the Employee Compensation Bureau. Such a plan gives only financial relief to an employee who has already suffered from injury. Pay compensation differentials to positions possessing occupational hazards should be paid to the employee as compensation for danger or risk which he is subjected to in performance of his duties. This payment should be made as a part of the regular pay for day to day performance. Pay differentials would be effective in CIA as a recruitment incentive for those positions found to be hazardous. The incentive or inducement would be extra pay for the risk taken.

Selection of a method of granting compensation differentials is largely a choice between the positive and negative approach to the problem. There are two positive methods: (a) the granting of a specific grade increase for the hazard or unfavorable condition, and (b) an increase in the annual or hourly wage assigned to the position. The negative approach to the situation might be: (a) provision for a special low rate insurance for employees in this category, and (b) post-accident compensation paid by the Federal Security Administration, and (c) provision for retirement upon completion of a specific number of years service. The positive approach is, of course, most desirable and is recommended for CIA.

The proposal for CIA should follow the principle that hazardous pay compensation be in the form of an increase based upon a fixed percentage of the base pay of the incumbent occupying the hazardous position. A differential not to exceed 30 percent of the basic annual salary allocable by this agency on standards prepared by CIA or promulgated by the Commission, could be authorized. The Civil Service Commission will, in accordance with the Classification Act of 1949, submit their proposal to Congress and will eventually publish standards for positions under their jurisdiction. This agency would be responsible for the preparation of standards for positions which are unique in the service and common only to CIA. This study is now under way. A memorandum to

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the Chief, Special Support Staff and the Chief, Administrative Staff requesting basic information is attached,

For the purpose of administration, hazards could be measured according to three categories: (a) substantial, (b) severe, and (c) extreme; and a differential of 10, 20, and 30 percent respectively, could be applied. The adjudication and administration body, probably representatives of the operational segments concerned, members from the Support Staff, and the Personnel Staff, following approved standards, would be responsible for: (a) determining whether the hazard is inherent in a specific series or type of position, or whether the hazard resulted from a specific assignment which is only a part of that position; (b) classification of the hazard, substantial, severe, or extreme; (c) keeping the plan working and current,

The "backbone" of the proposed program for recognition of hazardous work, lies in the development of standards and in the administration of the program. It can be a "grave train" or a conscientious effort on the part of the agency to compensate for the element of risk, danger and hazard to health. As mentioned above, the Support Chiefs have been requested to furnish information which will be the foundation for standards. Considerable work, thought and sound judgement will be required in the development of these standards. Members of the Committee or group, charged by the Agency with the responsibility for carrying out the program, should be chosen or appointed because of their knowledge of jobs and individual assignments, desire to adhere to policies and the intent of the system, and because they have exhibited objective thinking and reasoning along such lines.

If you concur in this approach, the Personnel Staff will appoint a committee to review the basic information requested from the Support Staffs and to come up with specific recommendations for a proposed CIA policy.

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